

STATE OF IOWA
PROPERTY ASSESSMENT APPEAL BOARD

Jason Chesley,
Appellant,

v.

Polk County Board of Review,
Appellee.

ORDER

Docket No. 13-77-0702
Parcel No. 0305-150-032

On January 24, 2014, the above-captioned appeal came on for consideration before the Iowa Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2)(a-b) (2013) and Iowa Administrative Code rules 701-71.21(1) et al. Appellant Jason Chesley was self-represented and requested his appeal be considered without hearing. Assistant County Attorneys Ralph Marasco, Jr. and David Hibbard represent the Board of Review. The Appeal Board now, having examined the entire record and being fully advised, finds:

Findings of Fact

Jason Chesley is the owner of residential property located at 530 East Southside Drive, Polk City, Iowa. Its January 1, 2013, assessment was \$224,900, representing \$41,800 in land value and \$183,100 in improvement value. Chesley protested the assessment to the Polk County Board of Review on the ground that the assessment was not equitable as compared with the assessments of other like property under Iowa Code section 441.37(1)(a)(1). The Board of Review denied the protest.

Chesley then appealed to this Board reasserting his claim. Chesley asserts the correct value is \$203,700 representing \$41,700 in land value and \$162,000 in improvement value.

According to the property record card, Chesley's property is a two-story, frame home built in 2006. It has 1864 square feet of above-grade living area and an 881-square-foot, unfinished basement. The property also has a 35-square-foot, open porch; a 240-square-foot deck; and a 576-square-foot,

attached garage. The subject property is listed as being of good quality grade (3+10) and in normal condition. The subject site is 0.239 acres.

Chesley listed three properties (1320 Pine Ridge Drive; 1376 E Pine Ridge Drive; and 421 E Southside Drive) in his neighborhood area (PC01/A4) on his Board of Review petition. The properties are reasonably similar to Chesley's dwelling in style, amenities, and site size, but inferior in construction quality (3+00) and have less total living area. The assessments ranged from \$201,800 to \$213,100. Only 1376 E Pine Ridge Drive sold in 2012 for \$214,900. To complete an assessment/sales ratio analysis, and thus prove inequity in an assessment, 2012 sales prices are compared to 2013 assessments. The assessment/sales ratio for 1376 E Pine Ridge Drive would be 0.99, indicating it is just slightly under-assessed; however, more than one equity comparable is required for an equity analysis.

Chesley also submitted three other home sales, but these occurred in 2011. (Exhibit 2). While these properties are all two-story homes and appear reasonably similar to the subject, because they did not sell in 2012 and their assessed values were not provided, they cannot be used to complete an assessment/sales ratio analysis.

Chesley also submitted the cover letter of an appraisal completed by Ron McWilliams for Rels Valuation, Homeservices Lending, in West Des Moines, Iowa. The appraisal values the property at \$192,500 as of December 14, 2011. Since it was completed over a year before the January 1, 2013, assessment date, we give this evidence no weight.

The Certified Record included five properties selected by the Board of Review appraiser. They are located in Chesley's neighborhood area and are reasonably similar to the subject property in style, age, grade, and site size. These properties' assessments ranged from \$225,600 to \$236,100, or \$116.88 to \$138.07 per-square-foot, and bracket the subject property's \$120.65-per-square-foot assessment.

The data includes cost adjustments to the assessments. No sales information was given for these properties and, therefore, no assessment/sales ratio can be completed.

Conclusion of Law

The Appeal Board applied the following law.

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. This Board is an agency and the provisions of the Administrative Procedure Act apply. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review, but considers only those grounds presented to or considered by the Board of Review. §§ 441.37A(3)(a); 441.37A(1)(b). New or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct. § 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. *Id.* If sales are not available to determine market value then "other factors," such as income and/or cost, may be considered. § 441.21(2). The property's assessed value shall be one hundred percent of its actual value. § 441.21(1)(a).

To prove inequity, a taxpayer may show that an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the*

City of Davenport, 497 N.W.2d 860, 865 (Iowa 1993). Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709 (Iowa 1965). The six criteria include evidence showing

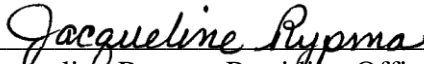
“(1) that there are several other properties within a reasonable area similar and comparable . . . (2) the amount of the assessments on those properties, (3) the actual value of the comparable properties, (4) the actual value of the [subject] property, (5) the assessment complained of, and (6) that by a comparison [the] property is assessed at a higher proportion of its actual value than the ratio existing between the assessed and the actual valuations of the similar and comparable properties, thus creating a discrimination.”

Id. at 711. The *Maxwell* test provides that inequity exists when, after considering the actual and assessed values of comparable properties, the subject property is assessed at a higher proportion of this actual value. *Id.* The *Maxwell* test may have limited applicability now that current Iowa law requires assessments to be at one hundred percent of market value. § 441.21(1). Nevertheless, in some rare instances, the test may be satisfied.

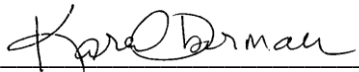
Chesley did not provide the necessary assessment and sales data for the properties he identified for equity comparison. Only one property recently sold and this is insufficient for an equity analysis. § 441.37(1)(a)(1); *Montgomery Ward Dev. Corp. v. Cedar Rapids Bd. of Review*, 488 N.W.2d 436, 441 (Iowa 1992), *overruled on other grounds by Transform, Ltd. v. Assessor of Polk County*, 543 N.W.2d 614 (Iowa 1996). This “statutory requirement is both a jurisdictional prerequisite and an evidentiary requirement for bringing a claim of inequitable or discriminatory assessment before the board.” *Id.* Chesley did not assert the assessor applied different methods of assessment to similar properties. Thus, Chesley failed to prove his property is inequitably assessed under either the *Eagle Food* or *Maxwell* tests.

THE APPEAL BOARD ORDERS the assessment of Chesley's property located at 530 E Southside Drive, Polk City, Iowa, is affirmed with a total value of \$224,900 as of January 1, 2013.

Dated this 20th day of February 2014.


Jacqueline Rypma, Presiding Officer


Stewart Iverson, Board Chair


Karen Oberman, Board Member

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